

Message Text

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12
ORIGIN PM-07

INFO OCT-01 ARA-16 ISO-00 EB-11 COME-00 CIAE-00 INR-11

NSAE-00 RSC-01 AID-20 IGA-02 MC-02 ACDA-19 H-03 L-03

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DRAFTED BY PM/SAS:GSWEANY/RS
APPROVED BY PM/SAS - J. F. LADD
DOD/DSAA - MR. BILLINGS (SUBST)
ARA/EP - MR. CLARK

----- 100260

R 162234Z AUG 74
FM SECSTATE WASHDC
TO AMEMBASSY QUITO
INFO CSAF
JCS
USCINCSO
USAFAFSO

C O N F I D E N T I A L STATE 180868

E.O. 11652:GDS

TAGS: MASS, EC, US

SUBJECT: A-37B AND F-5E SALES TO ECUADOR

REFS: (A) QUITO 5284; (B) SECDEF 6651(161250Z AUG 74)

1. IN LIGHT OF INFORMATION CONTAINED REFTELS FOLLOWING
GUIDANCE MAY BE USEFUL TO EMBASSY IN CONNECTION WITH PRO-
POSED AIRCRAFT PURCHASES: ROBERT MCADAM, NORTHROP REPRE-
SENTATIVE, RECENTLY RETURNED FROM QUITO, REPORTS TO DOD
THAT HE BELIEVES GOE MIGHT RAISE QUESTION OF FMS CREDIT
FINANCING FOR BOTH A-37B AND F-5E BEFORE GOE ACCEPTS
LETTERS OF OFFER. WE HAD NO PREVIOUS INDICATION THAT FMS
CREDIT WAS TO BE INVOLVED IN SALES, AND BELIEVE THAT EMBASSY
SHOULD BE AWARE OF THE FOLLOWING, SHOULD GOE RAISE CREDIT
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QUESTION. OUR FY 75 FMS RECOMMENDATION TO CONGRESS FOR ALL

COUNTRIES IS NO MORE THAN A REQUEST; THE BILL IS NOW UNDER
CONSIDERATION BY APPROPRIATE CONGRESSIONAL COMMITTEES.
PENDING ENACTMENT OF LEGISLATION, WE CANNOT CONSIDER ANY
REQUEST FOR FY 75 CREDIT FUNDING. MOREOVER, SHOULD ECUADOR
DESIRE TO MAKE F-5E PURCHASES ON FMS CREDIT BASIS, SECTION
4 OF THE FOREIGN MILITARY SALES ACT, AS AMENDED, WOULD
REQUIRE A PRESIDENTIAL DETERMINATION OF ECUADOR'S ELIGIBI-
LITY TO PURCHASE JET AIRCRAFT ON FMS CREDIT.

2. FYI. IF AND WHEN FY 75 CREDIT FUNDS BECOME AVAILABLE,
IT IS POSSIBLE THAT SUCH FUNDS COULD BE APPLIED TO ACQUIRE
AIRCRAFT. HOWEVER, AS NOTED ABOVE, THIS COULD REQUIRE A
PRESIDENTIAL DETERMINATION THAT THE PURCHASE OF SUCH AIR-
CRAFT BY ECUADOR WERE IMPORTANT TO THE SECURITY OF THE U.S.
GIVEN THE UNCERTAINTIES REGARDING FY 75 CREDITS AND CONGRES-
SIONAL SENSITIVITIES TOWARD THE USE OF FUNDS, THIS ISSUE
SHOULD NOT BE RAISED WITH THE GOE. IF THE GOE SHOULD IN-
QUIRE ABOUT CREDIT FUNDING FOR F-5E OR A-37B PURCHASES,
EMBASSY SHOULD STATE THAT NO CONSIDERATION CAN BE GIVEN TO
CREDIT FINANCING PRIOR TO PASSAGE OF FY 75 LEGISLATION.

END FYI. KISSINGER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY AIRCRAFT, MILITARY PROCUREMENT, MILITARY CREDIT
Control Number: n/a
Copy: SINGLE
Draft Date: 16 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE180868
Document Source: CORE
Document Unique ID: 00
Drafter: GSWEANY/RS
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740227-0123
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740839/aaaabhy.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) QUITO 5284; (B) SECDEF 6651(1612, 50Z AUG 74)
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 13 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 SEP 2002 by cunninfo>; APPROVED <25 FEB 2003 by CollinP0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: A-37B AND F-5E SALES TO ECUADOR
TAGS: MASS, EC, US
To: QUITO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005